

**CHAPTER NO. 797**

**SENATE BILL NO. 1337**

**By Curtis S. Person, Jr., Kyle, Ford, Dixon, Norris, Cohen**

**Substituted for: House Bill No. 3148**

**By Miller, Marrero, Henri Brooks, Bowers, Kernell, Lois DeBerry, Towns**

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, relative to the taxation of property.

WHEREAS, it has come to the attention of the general assembly that more frequent local property revaluation and rate increases have created an unusual hardship upon certain elderly citizens; and

WHEREAS, it appears that a solution to certain inequities is to allow qualified citizens to apply for tax freezes under senior citizen assessment status whereby no further increases in value or taxes shall be levied against their primary domicile; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 15, is amended by adding the following language as a new section:

Section 67-5-1515. (a) As a matter of public function and for the purposes contained only in this section, the Shelby County Clerk is authorized to own property, enter into leases, and declare any property owned by it exempt from local property taxes.

(b) In any county having a population greater than eight hundred ninety thousand (890,000) according to the 2000 federal census or any subsequent federal census, any citizen who is a property owner and taxpayer (referred to as "applicant") designated in this section may apply to the Shelby County Clerk for senior citizen assessment status:

(1) If the applicant has reached the age of seventy (70) years and has been a property owner and taxpayer for at least twenty (20) of the immediate past thirty (30) years of the applicant's major domicile which is located within the state; or

(2) If the applicant has reached the age of seventy (70) years and has a combined household annual income of less than twenty-five thousand dollars (\$25,000).

Upon receipt of the appropriate application and verification of the facts contained therein, the applicant shall be granted senior citizen assessment status by the Shelby County Clerk. Such status shall entitle the applicant to the right to transfer title and ownership of the applicant's major domicile to the Shelby County Clerk for a consideration of one dollar (\$1.00). A lease for the domicile at an annual rental of one dollar (\$1.00) shall be granted to the applicant along with an option to repurchase the domicile for consideration of one dollar (\$1.00). The lease and option period shall extend no longer than twenty (20) years

and the option may be exercised at any time during this period. If the applicant does not exercise the option to repurchase and the property is held during the entire term of the lease, the property shall revert to the applicant or his or her heirs at the end of the lease term. During the lease and option period, the applicant shall pay to the respective county and, if applicable, the municipality an annual sum in lieu of property taxes in an amount equal to the last full tax year's property taxes due immediately prior to the transfer of ownership to the Shelby County Clerk.


(c) The Shelby County Clerk shall charge each applicant an annual fee in sufficient amount to offset the administrative costs of this section and fees shall be proportionate to the value of the senior citizen's property.

SECTION 2. The provisions of this act shall have no application in any county unless the county legislative body votes by a two-thirds (2/3) majority of its membership to adopt the provisions of this act.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: May 20, 2004**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 3<sup>rd</sup> day of June 2004**

  
PHIL BREDESEN, GOVERNOR